

## MATERIAL WEAKNESSES CORRECTED THIS PERIOD

(TAB B-3)

**Identified During the Period.** None.

**Identified During Prior Periods.**

**Title:** Negative Unliquidated Obligations (NULOs) (TRICARE Management Activity)

***Description of the Issue*** The TRICARE Management Activity (TMA) identified a system problem in Fiscal Year 2001, regarding the identification of Negative Unliquidated Obligations for the TMA Headquarters portion of the Defense Health Program (DHP). TMA's research of Defense Finance and Accounting Service (DFAS) accounts (mostly DFAS Columbus) determined that these NULOs were not the result of exceeding obligations, but rather, were caused by the incorrect posting of financial data into the accounting system. These incorrect postings mostly cited either the incorrect year of funds or the incorrect account. The errors were further compounded when the proper steps were not taken to correct the errors. TMA has established a process at DFAS Center Indianapolis to identify, verify and correct the errors. This closes out this material weakness.

***Functional Category*** Comptroller and/or Resource Management

***Pace of Corrective Action*** Year Identified: FY 2001

Original Targeted Correction Date: FY 2002

Targeted Correction Date in the Last Report: FY 2002

Current Target Date: FY 2002 (Complete)

***Reason For Change in Date(s)*** n/a

<b><i>Component/ Appropriation/ Account Number</i></b>	<u>Title</u>	<u>Appropriation</u>
	TMA, RDT&E, Defense Health Program	97_0130.1834
	TMA, Procurement, Defense Health Program	97_0130.1864
	TMA, O&M, Defense Health Program	97_0130.1884
	TMA, Defense Health Program X Year	97X0130.1994

***Validation Indicator*** TMA certification that the necessary corrections have been made.

***Results Indicator*** Elimination of negative unliquidated obligations in all appropriations.

<b><i>Source Document</i></b>	TMA Financial Operations Division Internal Review report, 2001.	
<b><i>Progress to Date</i></b>	Action is complete. All erroneous postings have been corrected and no negative balances exist. TMA has established a process at DFAS Center Indianapolis to identify, verify and correct the errors.	
<b><i>Major Milestones</i></b>	Completed Milestone(s):	<u>FY 2002</u>
	Reconcile all negative balances	(Complete)
	Implement and test process to identify, verify, and correct errors	(Complete)

**Title: Data Quality Management Control (TRICARE Management Activity)**

***Description of the Issue***

The TRICARE Management Activity identified and reported a material weakness in the area of data quality management controls in Fiscal Year 1999. A DoD IG report, "Data Supporting the Fiscal Year 1998 Military Requirement Health Benefit Liability Estimate," April 1999, also reported a material management control weakness. OSD(Health Affairs) concurred with this finding and has developed a management control process to increase the reliability of the Composite Health Care System (CHCS) outpatient data workload and other data in the Military Health System (MHS). The Data Quality Management Control Program was tested in Region 11 during April – July 2000 and was implemented in November 2000. Since then, the MHS Data Quality Management Control (DQMC) Program was implemented in Fiscal Year 2001 with the objective of improving the overall quality of MHS financial and workload data.

The components of this program include a Data Quality Manager and a Data Quality Assurance Team in each military department, a DQMC Review List (27 questions addressing five functional areas) to guide data quality review, and an MTF Commander's Monthly Data Quality Statement (seven questions) to ensure appropriate review and analysis at the MTF level. The DQMC Review List is used by the MTFs on a monthly basis and summary results are reported to the TMA and Service Leadership through the Data Quality Commander's Statement. This program is also included in the Service IG/Medical IG annual programs for review as well.

Since implementation in November 2000 (Fiscal Year 2001), this program has highlighted deficiencies in data quality to Service/TMA leadership. Examples of these have been in both inpatient and outpatient coding and Medical Expense Reporting System (MEPRS) financial and workload reconciliation. Additional funding has been provided to the Services to address the coding issues and also input into MEPRS. Over the past year, Inpatient coding compliance has moved from a "Red Status" (less than 80% compliance) to a Green Status (greater than 95% compliance). Out-patient coding has improved significantly over Fiscal Year 2001 but remains in a High "Red" status TMA-Wide. MEPRS workload and financial reconciliation has also improved significantly in Fiscal Year 2002 by moving from the "Red Status" to "Amber/Green" in the later months. The above mentioned Review List and Commander's Statement have been updated for Fiscal Year 2003 with input from the Service Data Quality Managers. This insures that the DQMC Program remains current.

***Functional Category***

Comptroller and/or Resource Management

***Pace of Corrective Action***

Year Identified: FY 1999

Original Targeted Correction Date: FY 2001

Targeted Correction Date in the Last Report:	FY 2002
Current Target Date:	FY 2002 (Complete)

***Reason For  
Change in  
Date(s)*** n/a

<b><i>Component/ Appropriation/ Account Number</i></b>	<u>Title</u>	<u>Appropriation</u>
	TMA, O&M, Defense Health Program	97 0130.1884

***Validation  
Indicator*** TMA certification that the necessary system is in place to accurately monitor the status of inpatient and outpatient coding compliance.

***Results  
Indicator*** Ability to identify and correct inpatient and outpatient coding errors on a monthly basis.

***Source  
Document*** DoD Inspector General Report, *Data Supporting the FY98 Military Retirement Health Benefit Liability Estimate*, April 1999.

***Progress to  
Date*** Action is complete. A Data Quality Management process is in place.

<b><i>Major Milestones</i></b>	Completed Milestone(s):	<u>Year</u>
	• Test data quality management program	FY 2000
	• Implement data quality management program	FY 2001
	• Validate corrective action	FY 2002